G. R. S. IX-5]

Previous references.

1915-16.

(AH)

File No. 56-15

Serial Nos. 2, 51, 5

Later references.

Preserve
VS
19.6.25

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 2, 51, 53 & 62.

Part B for March, 1916.

SUBJECT.

Loans granted for Agricultural and Industrial Purposes.

62.

To the Dir. of Ind.
" " Comptroller.
" " Ex. Com.
" " Ind. Com.
" " Compiler, Mysore Gazetteer.
No. 4953-7. d. 21.3.1916.

Approves the proposal of the Dir. of Ind. to recover penal interest at the rate of 12½ p.c. per annum on overdue instalments of the above loans and amend the rules accordingly.

W.D.C.—G.P.B.—50,000—24-7-16

prs. 12.4.16.

G. R. S. 11]

4

191 5-16

GENERAL AND REVENUE SECRETARIAT.

(~~AR~~)

NOTES.

File No. 56 of

FILE HEADING.

Rules re: grant of loans for industrial & agricultural purpose

From

The Dir of Ind in Mysore

No. 623 Dated 16.8.15 Received 24.8.15

Diary No. 630 Enclos. 1 Spare Copies. Serial No. 2

BRIEF ABSTRACT OF LETTER.

Suggests that a provision ~~be~~ may be made in the Industrial Takkavi Rules of the 2nd Sept^r [illegible] that is in the case of ~~recovery~~ ~~case~~ interest on overdue instalments which be ~~co~~ payable under the Hire ~~p~~ clause ~~agre~~ & other bonds etc.

NOTES AND ORDERS.

It is not clear why the Dir^r adopted a ~~[illegible]~~ procedure not authorised by the rules ~~to~~, without obtaining the sanction of Govt. Nor does he explain

NOTES—First Sheet.

GPS—20,000—3-8-14

G. R. S. 12]

General and Revenue Secretariat.

A+3 File No. 56 of 191 5-16

Serial No.

how the existing provision in the rules in regard to the recover of over due instalments is defect + does not conduce to punctual in ~~prescribed~~ paying instalments

Subd for orders

SR 28/8/15 (2) I think the rules under Hab Act of loans; one on full security any grant of the Comm the other on the hire-purchase syste Regarding the former Clause 7, 8 the Rules apply, namely whatever instalment is not paid upon the close of the Revenue year, interest at 6¼ percent will be charged from the date on which payment ought to have been made. Here this acts as a compound interest & for all practical purposes it suffices. But the same rule has not been expressly provided for loans under the hire-purchase System. according to clause 8 (a) page 8. form of agreement if the hirer shall make default in punctually paying any hire instalment" then it will be enough with the penalty of immediate return and with liability to pay

Note—Contn. sheet.

GPB—25,000—30-4-15.

Serial No.

opinion, the remedy lies in making clauses applicable to the cases under the purchase system also & we cannot claim (a) the form of agreements now. Already I have heard of complaints from parties that the decision is overshot in the element of misstatements in spite of the remarks of reasons & cases beyond control. If a 25 per cent penal interest is levied, it will work as an efficient handicap. Even in Co-operative societies the penally rate of interest is working harshly. Our whole effort in India must be to lower the interest gradually to the level of Civilized Countries & not to increase the rate. The remedy in the present case is simple viz make the rules alike for the kind of cases in case of failure of instalments, which practically the Director is already doing -

Secy) 30/8

NOTE—Contn. sheet.

GPB—25,000—30-4-15.

425

G. R. S. 12]

General and Revenue Secretariat. | File No. 56 of 1915

Serial No.

(3) I agree that the existing rules give all necessary powers for the case of machinery taken on the hire purchase system the machinery can be taken possession of by the Bank as the whole amount due secured as an ordinary land revenue. In the case of loans practically compound interest may be charged under rule 9 on the instalment of which there has been failure to pay. In the case of such transactions provision likely to arise and provision should be carefully avoided.

(4) To file Secy's favour of opinion

B
3/5/15
by 3/9

(5) The object of these loans is to stimulate private enterprise

It

NOTE—Contn. sheet.

GPB—25,000—30-4-15.

General and Revenue Secretariat.

A & D. File No. 56 of 1915.

Serial No.

(6) It is a matter for consideration whether any measures beyond those just necessary to safeguard the money lent may not ~~defeat~~ defeat the object and impede private enterprise coming forward freely.

Subd.

7.9.15

(7) There is no financial objection to introduce ~~any~~ measures which will tend to enforce punctuality in repayment. It is as necessary to teach our people this virtue as to encourage them to go in for machinery.

(8) It has been pointed out above that the interest leviable under rule 9 is practically penal interest. It is to be added that in the case of hire purchases also, Condition 3 in form No 4 provides for interest being levied on over due instalments ~~Also~~ As in arriving at these instalments the ordinary interest is taken into account ~~the effect of~~ this provision is similar to that of rule 9 and amounts to the levy of penal interest. These rules are adequate for all purposes & the Director's attention may be invited thereto.

H.S. 8/9

Reserve

NOTE—Contn. sheet.

C.P.—25,000—30-4-15.

G. R. S. 12]

General and Revenue Secretariat.

ARD File No. 56 of 191 5-16

Serial No.

(9) The Director has understood the (complete point - His proposal to levy penal interest on overdue instalments may be sanctioned the rate being 12½ % instead of 25 % as suggested by him -

The Secty notes have not dealt with the real point at issue at all - What is referred to in Rule 3 of Form 4 is the interest on the instalments yet to come to complete the purchase and not interest on overdue instalments -

9/5

Put VI)

(10) Submd for orders

(The remarks of the Finl Deptt are not quite clear)

May a draft be put up empty the Director to charge a penal interest of 12½ % on overdue instalments of the hire purchase rules, already in financial view -

15/9

Please put up a draft with amendment of the rules

15/9/15

NOTE—Contn. sheet.

GPB—25,000—30-4-15.

6 30

G. R. S. 12]

General and Revenue Secretariat.

AHJ File No. 57 of 191 16

Serial No.

Dft. prep
for approval
Sr
Ly 24/9/15 Secy
Ly 22/9

(15) The draft amending the rules may be prepared here accordingly.
Ly 26/9
Sr 26/9

(16) Under paragraph 10 of the hire-purchase agreement, the Dir is empowered to seize and take possession of the machinery, in case the hirer makes default in punctually paying the hire instalment

(17) It is not very clear if the whole of this paragraph (10 of the Rules) should be expunged and a provision made re: levy of penal interest. So, it seems necessary to ask the Dir to suggest the necessary amendments. He will also be in a position to suggest other alterations that may be required in consequence of the provision re: penal rate of interest.

(18)

(19) Yes. The levy of penal interest is intended to be made by Ly 26/9

(20) I do not think so. But there is no harm by Ly 27/9

NOTE—Contn. sheet.

APB—20,000—30-6-15

24/10/15

N. 30

. R. S. 12]

General and Revenue Secretariat.

A+J File No. 56 of 191 5-16

8

Serial No.

(21) I agree. Draft as
Hy
25/10

(22) Please put up a clean
copy of record
Hy
27/10

(23) Fair draft submd
29.10.15

(24) Draft approved
Hy
3/11

Recd with m 3rd 11.11.

(25) Draft may be approved
~~(they be referred to 1st Member~~
2nd Member.
Hy
4/11/15
Hy
6/11

(26) Draft approved by second member
2nd
15/11
Dewan

(27) Hy
22/11/15
23/11

2600
24.11.15

NOTE—Contn. sheet.

GPB—20,000—30-6-15.

G. R. S. 12]

(9

General and Revenue Secretariat.

A & J File No. 56 of 1915-16

Serial No.

(28) I agree that a higher rate of interest at 12½ per cent may be levied on overdue instalments as proposed in the draft.

(29) The file may be circulated to other Members of Council before issue.

18.12.15 BG

29.12. — W/12

Exhaustive Member)

Khaparde 20/12

(30) appd. Rao 24.12.15.

(31) Submitted & First member.

BG 24-12-15

Khaparde 29/12

(32) Draft appd: by First member MCS 18.1.16

(33) Ba with a D/N

Please put up a D/N

15/1 W 19/1

Sd 20.1.16 Put up a duly ordered

Duran

W 20/1

W 21/1

Sd 20.1.16

Please put it up before me

Telephoned to Secy 20.1.16

3779 22.1.16

NOTE—Contn. sheet.

GPB—25,000—30-4-15.

(6

Submitted to His Highness.

(34)

Under the rules for the grant of loans for agricultural and industrial operations, the Director of Industries and Commerce has power to seize and take possession of the machinery, if the purchaser makes default in punctual payment of the instalment, but not to levy higher rates of interest on instalments paid after the due date, under the hire-purchase system.

2. The Director considers it desirable to levy a penal rate of interest in cases of delay, at the rate of 25 per cent on overdue instalments from the date of default.

3. The Financial Secretary is in favour of the proposal and considers that the rate may be fixed at 12½ per cent.

4. The draft order put up, which is in accordance with the above views and which has been agreed to by the Members of Council, may be approved.

SPL

STATEMENT OF CASES SUBMITTED FOR THE ORDERS OF HIS HIGHNESS THE MAHARAJA DURING THE TOUR OUTSIDE THE STATE IN JANUARY 1916.

Serial No.	Subject	Recommendation of Council, or Member of Government in charge, as the case may be	Dewan's recommendation	Orders of His Highness	Orders regarding submission of files (*vide* foot-note)
13	Levy of penal rate of interest on overdue instalments of loans advanced for purchase of machinery, etc., under the hire-purchase system.	The draft order fixing the rate at 12½ p.c. has been agreed to by the Members of Council.	May be approved.		C Jm 1.2.16

Spl

NOTE.—The letter a, b or c may kindly be inserted by the Private Secretary to His Highness in the last column to indicate whether—

File may be submitted at once ... ... a
File may be submitted after His Highness' return ... ... b
File may not be submitted at all c

W D 1860—GPB—200—25-1-16

ISSUE & SUBMIT.
FOR FURTHER ACTION

12

Record of Cases submitted for the Orders of His Highness the Maharaja

36

No 4684
27.1.16

Subject.

Levy of penal rate of interest on overdue instalments of loans advanced for purchase of machinery, &c., under the hire purchase system.

669

Order.

37

~~KRW~~
1/2/16

Lintaris Ex A/

38

7.2.16.

Ko

711

G. R. S. 12]

General and Revenue Secretariat.

A+J File No. 56 of 1915-16

Serial No.

(39) cmie

7/2

51 G.O. No. 3917-E dated 9th Feb 1916 directing the levy of penal interest on overdue instalments of loans under the hire-purchase system and calling for the Director's proposal [illegible] amendment of the rules.

53 Letter No. 3090 dated 12th Feb 1916 from the Dir of I & C suggesting that it would be desirable to apply the provision re. penal rate of interest in the case of takkavi loans also and forwarding amendments to the rules.

(40) Subd for orders Please insert [illegible] the alterations suggested 7/16 in red ink in a copy of the Govt rules & re submit

17/2

Attended to & re submd

19/2/16 (addition made as directed by the A. Secy in the rules).

25

May the rules as revised now with a suitable preface?

+ Explained to the Secretary in person why D/F was not put up with first instance.

+ Kindly do not misuse words. My D/F may have been read but

NOTE—Contn. sheet.

GPB—70,000—17-12-15

G. R. S. 12]

General and Revenue Secretariat.

A-12 File No. 56 of 1915.

Serial No.

Draft for approval

4/3

4/3

It seems to me that the application to Mussalmans should apply to ordinary loans also. Draft may be approved

7/3/16 4/3

Read here for Remarks

4/3

9/3/16 4/3

4736
16.3.16

16.3.16

Draft approved by Secretary.
16.3.16.

17/3/16 4/3

The proof received has been revised & sent with print-order for signature. It will be noticed that the words per annum do not appear after 'cent' on 'a' & 'b' pages. But the wording is according to the Director's recommendation. May it be sent to Press as it is?

I have marked the words 'per annum' here with blue pencil. 17/3

Sent 14/3/16

NOTE—Contn. sheet.

[illegible]—10000—17[illegible]

G. R. S. 12]

General and Revenue Secretariat.

A 9 File No. 56 of 1915. 16

Serial No. 62

G.O. No 4953-7 dt 21.3.16

[illegible]

Office of the
Director of Industries and Commerce,
"Bedford House" High Ground,
No. Bangalore dated the 16th August 1915.

DIARY No 680
19-19
SECTION 1(3)
FILE No. 56-15
SERIAL No. 12

Alfred Chatterton, Esqr., F.C.G.I., C.I.E.,
Director of Industries and Commerce in Mysore,
Bangalore.

The Secretary to the Government of Mysore,
Departments of Education and Agriculture,
Bangalore.

Sir,

I have the honour to enclose a copy of letter received from the Comptroller regarding the levy of overdue interest. The procedure I have adopted is a common sense one and I request that it ma be sanctioned by Government. As the matter is now up before Govern ment, I would request that I might have power in the case of new agreements to insert in the agreement a clause enabling me to levy a penal rate of interest on overdue instalments. At present the rate is only 6¼ per cent and with the agreements so far entered into no penal interest can be levied; but I think it would very materially conduce to punctuality in the payment of instalments if a penal rate of interest was levied. I would suggest that the penal rate might be 25 per cent. Assuming that the instalment due from a man is Rs.500/- the penal interest is only levied on this amount for the time it is overdue. If this period is one month, the penal assessment would be 1/48th of Rs.500/- or Rs.10-6-8.

I have the honour to be,
S i r,
Your most obedient servant,

A Chatterton

Director of Industries & Commerce.

Copy of letter No.1148/Pen.174 dated the 10/12th August 1915 from the Comptroller to the Government of Mysore, to the Director of Industries and Commerce in Mysore, Bangalore.

Adverting to Government Order No.2097 dated 2nd September 1913 prescribing rules for the grant of Industrial and Agricultural loans, I have the honour to point out that there is no provision enabling you to levy interest on overdue instalments which become payable under Hire Purchase System. On hirer's default the remedy is to enter his premises and sequester the machinery, which may be got back by the hirer under condition 10 of the purchase bond. But the practice you have adopted appears to be to recover overdue interest at the same rate at which the ordinary interest is recovered. As this practice is not supported by the Government Order mentioned above, I request that you will be so good as to obtain the sanction of Government to the procedure now adopted and have the rules suitably modified.

Director of Industries & Commerce.

G.R.S. 28]

ISSUE & CURRENT.
for FURTHER ACTION

File No.
Serial No. 51

Diary No. of letter replied to

GENERAL AND REVENUE SECRETARIAT.
( )

Proceedings of the Government of His Highness the Maharaja of Mysore

, *the* 191 .

READ—

Government Proceedings No. G 2097-145/G. M. 5-5-12-239 Dated 2nd September, 1913, laying down rules for the grant of loans

Date of issue

ORDER THEREON. ~~No.~~ to facilitate Agricultural and Industrial operations, and for the purchase and erection of machinery.

Signed by

2. Letter no 623. Dt. 16th Aug. 1913

over.

SUBJECT.

GPB—50,000—1-12-12

from the Director of Industries and Commerce in Mysore suggesting that a provision may be made in the above mentioned rules authorising the levy of penal interest on overdue instalments which become payable under the hire-purchase system.

Order no.

Under paragraph 8 of the form of Hire-purchase Agreement prescribed in the rules under reference the Director of Industries and Commerce is empowered to seize and take possession of the machinery, in case the hirer makes default in punctually paying the hire instalment. There is no provision for levying penal interest. The Director considers that it would conduce to punctuality

G.R.S. 27]

GENERAL AND REVENUE SECRETARIAT.

(*Continuation sheet draft form.*)

in the payment of instalments
if a penal rate of interest is
levied.

Government are pleased
to approve of the recovery of pe
nal interest at the rate of 12½ p.c.
on overdue instalments, payable
under the hire purchase system
from the date of default.

2. The Director is requested
to suggest the necessary
amendments to the rules
for the approval of Govern-
ment.

15/1

18/1/16

Secretary to Government,
Education and Agriculture.
3/1/16

Kh 3/1

To

The Director of Industries & Commerce
Comptroller to Government

W.D. 0713—GPB—8,500—27-8-15

DIARY No. 3015

10-10
No. 53

No.
ENCL.

OFFICE OF THE
DIRECTOR OF INDUSTRIES AND COMMERCE,
"BEDFORD HOUSE," HIGH GROUND,

Bangalore....12th February.....191 6.

FROM

ALFRED CHATTERTON, ESQ., F.C.G.I., C.I.E.,
Director of Industries and Commerce in Mysore,
Bangalore, (India).

To

The Secretary to the Government of Mysore,
Departments of Education and Agriculture,
Bangalore.

SIR,

With reference to Government Order No.3917-8/A & I.56-15-51 dated the 9th February 1916, I have the honour to state that the order as issued only applies to hire purchase agreements but I think it is equally necessary that it should apply to taccavi loans also. I submit for the approval of Government a new clause which may be numbered 8 in the new hire purchase agreements and the subsequent clauses being renumbered. It runs as follows:

"If the hirer shall make default in punctually paying any hire instalment, the Director may levy over-due interest on such instalment at 12½ per cent. per annum from the date on which the instalment became due until the date of payment of the instalment and the accrued interest."

I also suggest that for para 9 of the Rules for "the Grant of loans generally to facilitate agricultural and industrial operations" issued under Notification No.G.2146/G.M.55-12-240 dated the 2nd September 1913, the following should be substituted: "On every instalment which is not paid on the due date the Director shall have power to recover interest at 12½ per cent on the amount due from the date on which the payment ought to have been made. In calculating interest under this rule, a broken period

of

of a month shall count as half a month or one month according as it is less or not less than 15 days and a fraction of a rupee as half rupee or one rupee according as it is less or not less than 8 annas."

I would point out that there is no intention nor have we the power to make these changes in the Agreements which have already been made. I consider it is necessary that the Director should have discretion in the matter of levying penal interest. There are occasions on which, through no fault of the man himself, he may be delayed in making payments. The amount of penal interest as a rule will be small and I think it should be within the power of the Director to decide each question upon its own merits.

I have the honour to be,

S i r,

Your most obedient servant,

Director of Industries & Commerce.

G.R.S. 28]

Modification of rules for the grant of loans for industrial, agricultural & Commercial purposes —

A&I File No. 63-15-
Serial No. 62

Diary No. of letter replied to D 3015

Proceedings of the Government of His Highness the Maharaja of Mysore

GENERAL AND REVENUE SECRETARIAT.
( )

, *the* 191 .

Date of issue 3.16

Signed by

READ—

Govt Order No. 2097-145/ G.M. 15-12-239 dated 2nd Sept 1913 laying down rules to regulate the grant of loans for industrial and ~~ORDER THEREON. No.~~ Commercial purposes.

(2) Govt Order No. 3917-8/ A&I. 56-15-5/ dated 9th Feb 1916 approving of the proposal of the Dir of I&C for the recovery of penal over. interest

SUBJECT.

GPB—50,000—1-12-12

at the rate of 12½ p.c. on ~~on~~ overdue instalments payable under the hire purchase system from the date of default and requesting him to suggest the necessary amendments to the rules ~~for~~

3) Letter No. 3090 dated 12th February 1916 from the Director pointing out that the order read above applies only to hire purchase agreements, that it is necessary to apply the provision re: penal rate of interest ~~in the case of~~ ordinary industrial takkavi loans also and ~~requesting~~ suggesting amendments to the rules as required

P.H.D

Order No.

Govt are pleased

G.R.S. 27]

GENERAL AND REVENUE SECRETARIAT.

(Continuation sheet draft form.)

to approve of the Director's suggestion and to direct that the Rules be amended as follows:—

(a) For

Rule 9. "On every instalment which is not paid before the close of the revenue year in which payment falls due, interest at 6¼ p.c. will be charged from the date on which payment ought to have been made.

Substitute

Rule 9. "On every instalment which is not paid on the due date the Director shall have power to recover interest at 12½ p.c. on the amount due from the date on which the payment ought to have been made."

"In calculating interest under this [illegible] a month or one month according [illegible] of a rupee or half rupee or

F MACHINERY.

RY.

and industrial operations, loans of money

operations, loans of money nas.

(b) For

Condition III (iii) of Forms 3 attached to the Rules.

"If default in payments of annual instalments on account of the loan occurs, or if the aforesaid ..... should contravene any of the conditions under which the loan is granted, the unpaid balance of the loan shall be recoverable as an arrear of land revenue".

Substitute

Condition III (iii) of Forms 3 attached to the Rules.

"If default in payment of annual instalments on account of the loan occurs the Dir shall have power to recover interest at 12½ p.c on the amount due from the date on which the payment ought to have been made. In calculating interest under this rule, a broken period of a month shall count as half a month or one month according as it is less or not less than 15 days and a fraction

of a rupee as half rupee or one rupee according as it is less or not less than 8 annas.

If the aforesaid ... should contravene ~~...~~ any of the conditions under which the loan is granted, the unpaid balance of the loan shall be recoverable as an arrear of land revenue"

~~(c) For~~

(c) For Clause 8 of Form 4, Hire Purchase Agreement.

"

8. If the hirer

(a) shall make default in punctually paying any ... and Comme
(b) shall be adjudicated bankrupt or shall ... c ... the M
ment or composition with his c...
(c) shall execute or create any mortga... any arrange- ... have
upon which the machinery may f... for the time bein
do as provided by the last precedin... clause or
(d) shall fail to observe and perform any of the ... premises in or ... grieul
Agreement and on his part to be obs... attention so to ... 2nd
... and
then, and in any such case, it shall be lawful fo... titl
hiring, and for that purpose the hirer hereby authorises the
enter upon any premises in which the machinery may be
away the same.

... n end to the ...
... ed by him to ...
... eize and take ...

Substitute

8. If the hirer shall make default in punctually paying any hire instalment, the Dir... may levy over due interest on such instalment at 12½ p.c. per annum from the date on which the instalment became due until the date of payment of the instalment and the accrued interest.

9. If the hirer ...

(b) shall be adjudicated bankrupt or shall file a petitio... ment or composition with his creditors or

(c) shall execute or create any mortgage incumbrance ... upon which the machinery may for the time bein... do as provided by the last preceding clause or

(d) shall fail to observe and perform any of the agre... Agreement and on his part to be observed and pe...

then, and in any such case, it shall be lawful for the Direc... hiring, and for that purpose the hirer hereby authorises the ... enter upon any premises in which the machinery may be ... away the same.

The subsequent clauses

G. R. S. 27]

GENERAL AND REVENUE SECRETARIAT.

(Continuation sheet draft form.)

of Form 8 will be re-numbered 9, 10, 11 ... 18

9/3/16

6/3

To the Dir of I & C
" Comptroller to Govt
" Secretary's Conf
" Secy I & C Committee
" Compiler Supply Gazette
for publication in the Gazette

Government of His Highness the Maharaja of Mysore.

GENERAL AND REVENUE DEPARTMENTS.

G. O. No. 4953-7—A. & I. 56-15-62, dated 21st March 1916

Loans granted for Agricultural and Industrial Purposes.

Approves of the proposal of the Director of Industries and Commerce to recover penal interest at the rate of 12½ per cent per annum on overdue instalments of—and amends the rules accordingly.

W. D. 2429—GPB—1914-16—500

Loans granted for Agricultural and Industrial Purposes.

No. 4953-7—A. & I. 56-15-62, DATED 21ST MARCH 1916.

PROCEEDINGS OF THE GOVERNMENT OF HIS HIGHNESS THE MAHARAJA OF MYSORE.

GENERAL AND REVENUE DEPARTMENTS.

READ—

Government Order No. 2097-145—G. M. 55-12-239, dated 2nd September 1913, laying down rules to regulate the grant of loans for industrial and commercial purposes.

2. Government Order No. 3917-8—A. & I. 56-15-54, dated 9th February 1916, approving of the proposal of the Director of Industries and Commerce for the recovery of penal interest at the rate of 12½ per cent on overdue instalments, payable under the hire purchase system from the date of default, and requesting him to suggest the necessary amendments to the rules.

3. Letter No. 3090, dated 12th February 1916, from the Director pointing out that the order read above applies only to hire purchase agreements, that it is necessary to apply the provision *re* penal rate of interest to ordinary industrial takavi loans also and suggesting amendments to the rules as required.

Order No. 4953-7—A. & I. 56-15-62, dated 21st March 1916.

Government are pleased to approve of the Director's suggestion and to direct that the rules be amended as follows :—

(*a*) *For*

Rule 9.—"On every instalment which is not paid before the close of the revenue year in which payment falls due, interest at 6¼ per cent will be charged from the date on which payment ought to have been made.

In calculating interest under this rule a broken period of a month shall count as half a month or one month according as it is less or not less than fifteen days and a fraction of a rupee as half rupee or one rupee according as it is less or not less than 8 annas.

(*b*) *For*

Condition III (iii) of Form 3 attached to the Rules.

"If default in payments of annual instalments on account of the loan occurs, or if the aforesaid.....should contravene any of the conditions under which the loan is granted, the unpaid balance of the loan shall be recoverable as an arrear of land revenue."

Substitute.

Rule 9.—"On every instalment which is not paid on the due date the Director shall have power to recover interest at 12½ per cent per annum on the amount due from the date on which the payment ought to have been made.

In calculating interest under this rule, a broken period of a month shall count as half a month or one month according as it is less or not less than fifteen days and a fraction of a rupee as half rupee or one rupee according as it is less or not less than 8 annas.

Substitute.

Condition III (iii) of Form 3 attached to the Rules.

"If default in payments of annual instalments on account of the loan occurs, the Director shall have power to recover interest at 12½ per cent on the amount due from the date on which the payment ought to have been made. In calculating interest under this rule, a broken period of a month shall count as half a month or one month according as it is less or not less than fifteen days and a fraction of a rupee as half rupee or one rupee according as it is less or not less than 8 annas.

If the aforesaid.....should contravene any of the conditions under which the loan is granted, the unpaid balance of the loan shall be recoverable as an arrear of land revenue."

No. 4953-7 A. & I. 56-15-52, dated 21st March 1916.

(c) *For*

Clause 8 of Form 4, hire purchase agreement.

"8 If the hirer—

(a) shall make default in punctually paying any hire instalment or

(b) shall be adjudicated bankrupt or shall file a petition in insolvency or enter into any arrangement or composition with his creditors or

(c) shall execute or create any mortgage, incumbrance or charge of or upon the premises in or upon which the machinery may, for the time being, be, or give notice of his intention so to do as provided by the last preceding clause, or

(d) shall fail to observe and perform any of the agreements and conditions contained in this agreement and on his part to be observed and performed,

then, and in any such case, it shall be lawful for the Director to immediately put an end to the hiring, and for that purpose the hirer hereby authorises the Director or any one deputed by him to enter upon any premises in which the machinery may be for the time being, and to seize and take away the same."

Substitute.

8. If the hirer shall make default in punctually paying any hire instalment, the Director may levy overdue interest on such instalment at 12½ per cent per annum from the date on which the instalment became due until the date of payment of the instalment and the accrued interest.

9. If the hirer—

(a) shall be adjudicated bankrupt or shall file a petition in insolvency or enter into any arrangement or composition with his creditors, or

(b) shall execute or create any mortgage, incumbrance or charge of or upon the premises in or upon which the machinery may, for the time being, be, or give notice of his intention so to do as provided by the last preceding clause, or

(c) shall fail to observe and perform any of the agreements and conditions contained in this agreement and on his part to be observed and performed,

then and in any such case, it shall be lawful for the Director to immediately put an end to the hiring and for that purpose the hirer hereby authorises the Director or any one deputed by him to enter upon any premises in which the machinery may be for the time being, and to seize and take away the same.

The subsequent clauses of Form 8 will be re-numbered 9, 10, 11 ....15.

P. G. D'SOUZA,
Offg. Secy. to Govt., Depts. of Edn. and Agri.

To—The Director of Industries and Commerce in Mysore.
The Comptroller, Mysore Government.
The Secretary, Economic Conference.
The Secretary, Industries and Commerce Committee.
The Compiler, *Mysore Gazette*, for publication in the Gazette.

Exd.—C. R.